

COVID-19 Response: Greece

GOVERNMENT MEASURES FOR BUSINESSES

ELIGIBILITY

WHEN?

Finance / Loan Schemes

Borrower support measures – suspension of loan repayments

- ▶ Suspension of the repayment of loan principal for business loans will be granted until at least 31 December 2020 (provided such loans were performing on 31 December 2019). The suspension will be provided on the borrower's request. Interest continues to be payable during such period
- ▶ The state is bound to cover the total amount owed as interest on such loans for the months of April, May and June. This provision may be further extended for a period of two months, upon request by the applicant business. The Greek state will cover the total amount owed as interest on overdue loans, bond loans, revolving credit accounts, securitized loans and credits for affected businesses. Such businesses must conclude their submissions to the State Aid Information System of the Ministry of Development (www.ependyseis.gr/mis) from 15 April 2020 until 30 June 2020. In case an application is unsuccessful the applicant business may file an appeal within 5 business days

- ▶ Subject to the below, all 'affected businesses' belonging to specific categories, as defined by the Ministry of Economy, who have been severely impacted by the crisis
- ▶ The suspension of debts of affected businesses or natural persons to banks/credit institutions is also based on their personal data, which will be provided to the relevant banks/credit institutions by the Ministries of Finance, Development and Investment and Employment. The details of the criteria of the businesses to be selected are defined in the relevant Invitation of the Ministry of Development, as attached in the Ministerial Decision and as published in the following websites, www.mindev.gov.gr, www.espa.gr and www.antagonistikotita.gr.

23 March

Borrower support measures – specific bank measures

- ▶ In addition, various banks have announced specific measures in respect of performing loans
- ▶ **National Bank of Greece** – For both affected medium and large corporates and SMEs falling with the scope of the emergency legislation, repayment of principal instalments due between 1 March 2020 and 31 December 2020 may be deferred to the end of the loan period upon request (and, in the case of medium and large companies, a deferral of the loan maturity date)
- ▶ **Eurobank** – For corporates falling within the scope of the emergency legislation, suspension of principal instalments due until 31 December 2020 and deferral of loan maturity for up to nine months on request. For SMEs falling within the scope of the emergency legislation, For corporates falling within the scope of the emergency legislation, suspension of principal instalments due until 30 September 2020 and deferral of loan maturity for up to six months on request

- ▶ All 'affected businesses' belonging to specific categories, as defined by the Ministry of Economy, who have been severely impacted by the crisis
- ▶ The suspension of debts of affected businesses or natural persons to banks/credit institutions is also based on their personal data, which will be provided to the relevant banks/credit institutions by the Ministries of Finance, Development and Investment and Employment

Announcement by the Banks dated 7 April 2020

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Finance / Loan Schemes

Finance liquidity

- ▶ **Refundable Advance Payment:** The Greek state has committed to make available an amount of up to €1 billion for affected businesses, allowing them to request for financial assistance in the form of loans to be repaid in an extended time period. Such affected businesses must complete their submissions to the Independent Public Revenue Authority (AADE) through the electronic platform "myBusinessSupport", under the conditions and within the deadlines laid down in the Ministerial Decision. The deadline has been extended until 21 April 2020 following a subsequent Announcement by the Ministry of Finance
 - All or part of the financing, depending on the relevant case, will be repaid to the Greek state within the next five years together at a low interest rate
 - The exact amount of the financing will depend on the turnover decrease of the relevant business, as well as on the impact of the net employment cost, provided always that the pertinent businesses has not laid off any employees. Additional criteria on which the repayable advance will be based on, the exact amount of the financing and the grant procedure will be specified in a further Ministerial Decision
 - Such advances are not taxed and can neither be confiscated nor set off
- ▶ **Refundable Advance Payment (2nd round):** The criteria determining the amount of financing and the grant procedure have been determined in the Ministerial decision dated 03 May 2020. Every affected private business (including partnerships) having its registered seat or permanent establishment in Greece may apply through the electronic platform "myBusinessSupport" until 22 July 2020. Businesses which did not employ any employees or employed more than 1,000 employees on 1 June 2020 shall not be considered as valid applicants. Furthermore, all applicant businesses shall be going concern undertakings from April 2019 onwards and should have not previously been granted financial aid acknowledged as incompatible by European Commission. In particular, large and medium enterprises may proceed with the application in case they have not been "undertakings in difficulty" in the meaning of EU Regulation 651/2014, on 31.12.2019. Small enterprises or very small enterprises, which have entered into collective insolvency proceedings, or have received rescue aid, or restructuring aid cannot proceed with the aforementioned application. All applicant businesses shall maintain the number of employees employed by them on 1 June 2020 up until 31 October 2020

- ▶ Every affected private business, including the sole entrepreneurs who employ from 1 to 500 employees, having its registered seat or permanent establishment in Greece

Joint Ministerial Decision 2.4.2020 by the Ministry of Finance and Ministry of Development and Investment and Ministerial Decision 03.07.2020 by the Ministry of Finance and Ministry of Development and Investment

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Finance / Loan Schemes

Granting of new loans of €2 billion to businesses through the European Investment Bank

Establishment of a new guarantee mechanism for working capital loans to SMEs of up to €1.5 billion and for working capital loans to large enterprises of up to € 2 billion

- ▶ Hellenic Development Bank SA published an invitation addressed to financial institutions for cooperation in the granting of new working capital loans with 80% guarantee rate until the full repayment. Such guarantee will be funded by the Businesses' Guarantee Fund COVID-19 (hereinafter the "Guarantee Fund"). The loans will have a term of up to 5 years including any grace period and the relevant loan agreements must have been signed until 31 December 2020. The loan amount shall not exceed the double of the annual salary costs of the fiscal year 2019 (in case where the applying business has been incorporated during 2019 the loan amount shall not exceed the estimated annual salary costs for the first 2 operating years), or the 25% of the turnover of the previous fiscal year or the 10% of the agreed portfolio per financial institution

- ▶ All businesses operating in Greece shall benefit from this measure; however the eligibility criteria for the applicant businesses are specified by the banks launching the program to potential borrowers. Businesses may submit their application from 03 June 2020

11 May 2020

Increased funding for the Hellenic Development Bank's Entrepreneurial Fund by €250 million for the granting of new loans to businesses affected by COVID-19 along with a 100% interest rate subsidiary for two years

- ▶ Hellenic Development Bank SA has announced the launching of a new program for working capital loans with 100% interest rate subsidy for the first two years. Such loans will be funded by the National Fund for Entrepreneurship and Development (ETEAN SA) under "Business Financing - TEPIX II". The loans shall be up to 50% of the turnover of the previous fiscal year, for a period of 24-60 months, a potential grace period of 6-12 months and an interest rate no higher than 8% for the first two years. Applying companies shall preserve for the first two years the number of their employees as on 19 March 2020

- ▶ Newly established companies and SMEs affected by the outbreak of COVID-19 may apply for such loans through the address www.ependyseis.gr/mis from 20 May 2020 until 28 May 2020 and then submit the supporting documentation to the cooperating bank of their preference

28 April 2020

Emergency financial aid for tourist accommodation facilities to operate by exception across Greece

- ▶ The operation of tourist accommodation facilities was suspended for the period from 23 March 2020 to 15 June 2020, however certain accommodation facilities were exempted from this ban. These businesses are eligible for the aforementioned emergency financial aid. The financial aid shall not exceed the 35% of the amount resulting from the deduction of the turnover of April 2020 from the turnover of April 2019, per tourist accommodation facility

- ▶ Tourist accommodation facilities that remain open year-round listed in the Annex attached to the Ministerial Decision dated 24 March 2020 issued by the Minister of Tourism, as amended by the Ministerial Decision dated 10 April 2020 issued by the Minister of Tourism

23 July 2020

COVID-19 Response: Greece

GOVERNMENT MEASURES FOR BUSINESSES

ELIGIBILITY

WHEN?

Tax

Tax liquidity

- ▶ **Extension of VAT payment** – payment of VAT amounts is extended for the affected companies until 31 August. This concerns VAT due from 11 March to 30 April. During the suspension period, no interest and surcharges shall be imposed on the amounts of taxes due
- ▶ **Reduction of the VAT rate** from 24% to 6% on products necessary for the protection from COVID-19 and its containment
- ▶ **Acceleration of tax refunds** of amounts not exceeding €30,000 by the tax authorities
- ▶ **Debts to the Greek authorities** – Payment deferred on the same basis as VAT payments until April 2021
- ▶ **Discounts** - A 25% discount will be provided where the applicable suspension period is not utilized by the affected enterprises and relevant taxes are timely paid. VAT and withholding taxes not subject to settlement or payment facilitation schemes are excluded from such discount
- ▶ Further discount benefits have now also been announced for April VAT obligations. According to the Legislative Act dated 13 April 2020, a 25% discount will be applied to VAT payments due by 30 April, together with any other payments or debt installments or partial payments to the Greek Tax Authority due by 1 May 2020, where the relevant taxes are timely paid by the affected businesses
- ▶ **Note that in order to benefit from the deferral of tax measures the relevant business is required to maintain its existing employment agreements and workforce (suspension in line with emergency measures being permissible)**

- ▶ Businesses with active primary Business Activity Code (KAD) included in the list of KAD published on 20 March

20 March

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GOVERNMENT MEASURES FOR BUSINESSES

ELIGIBILITY

WHEN?

Employment

Suspension of Employment Contracts

- ▶ The lockdown imposed by the authorities constitutes an event of force majeure and releases employees from the obligation to provide services and their employers from the obligation to pay salary. During the lockdown period the employment contracts are suspended
- ▶ All unpaid leaves agreed between employers and employees are revoked as from 28 March 2020 and the respective employment contracts are placed on suspension
- ▶ Employees who are suspended will be entitled to apply for a one-off 'special purpose' state benefit payment of €800 per 45 days
- ▶ From 18 March 2020, employers on lockdown by order of the authorities are prohibited from making any dismissals during the lockdown period. If effected, the dismissals are invalid. 'Special purpose' benefit payments will also be available to employees who either resigned or had their employment terminated in the period between 1 March and 18 March
- ▶ Employers must conclude their submissions via the ERGANI Information System in respect of any suspension of employees (including any remote working) and payment of 'special purpose' compensation by 10 April 2020. Failure to then do so results in the exclusion of the employers from various relief measures. By 10 April 2020 employers must have also informed their employees of submission of the above declaration so that employees may also submit their required application to the Ministry of Labour

Businesses who have closed by virtue of government measures in light of COVID-19

28 March

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GOVERNMENT MEASURES FOR BUSINESSES

ELIGIBILITY

WHEN?

Employment

Suspension of Employment Contracts

- ▶ Employers belonging to the specific impacted categories announced by the Ministry of Finance may suspend the employment contracts of all or part of their employees for an uninterrupted period of 45 days. On 1 May 2020 it was announced that employers could extend the suspension of up to 60% of employees for a maximum of 30 further days. Such option can be exercised one-off or progressively between 21 March 2020 and 20 April 2020. Fixed-term employment contracts expiring after 21 March 2020 can also be suspended, in which case their term is continued after the suspension period
- ▶ During the suspension period the employers are prohibited from dismissing any of their employees. If effected, such dismissals are invalid. Such restriction does not cover employees who resign, retire or whose fixed-term contracts expire
- ▶ Employees who are suspended will be entitled to apply for a one-off special state benefit payment of €800 per 45 days
- ▶ Employers must conclude their submissions via the ERGANI Information System in respect of any suspension of employees (including any remote working) and payment of 'special purpose' compensation by 10 April 2020. Failure to then do so results in the exclusion of the employers from various relief measures. By 10 April 2020 employers must have also informed their employees as to the submission of the above declaration so that employees also submit their required application to the electronic platform of the Ministry of Labour

Affected businesses (as announced by the Ministry of Economy)

28 March

Telework

- ▶ Teleworking employees are excluded from the above suspension mechanism as they continue to provide their services to the employer
- ▶ The employers' right to unilaterally impose a system of remote work, is extended until 31 December 2020

Until 31 December 2020

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ELIGIBILITY

WHEN?

Employment

Special provisions on Christmas allowance

- ▶ Employers are required to pay the Christmas allowance on its due date (i.e. by 21 December 2020)
- ▶ Employees, whose contracts have been suspended, will receive from their employer a portion of the Christmas allowance excluding the period of suspension. The remaining portion corresponding to the suspension period will be paid by the State and will be calculated on the basis of the special state benefit received by the employees during the suspension

- ▶ Employers on lockdown by order of the authorities or belonging to specific categories, as defined by the Ministry of Economy, who have been severely impacted by the crisis

21 December
2020

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GOVERNMENT MEASURES FOR BUSINESSES	ELIGIBILITY	WHEN?
Other		
<p>Reduction of rents by 40%</p> <ul style="list-style-type: none"> Businesses who have been closed by virtue of government measures are entitled to a 40% reduction of their property rent during the affected period and landlords are not entitled to terminate the lease due to partial payment 	<ul style="list-style-type: none"> Businesses who have closed by virtue of government measures in light of COVID-19. This measure is now further extended to 'affected businesses', meaning, throughout these slides, those belonging to specific categories (as defined by the Ministry of Economy) who have been severely impacted by the crisis 	<p>23 March and 13 April</p>
<p>The 12 steps of confidence</p> <p>In September 2020 the Greek prime minister announced 12 new government support measures at a cost of €6.8 billion, including:</p> <p>Tax cuts</p> <ul style="list-style-type: none"> A 3-unit cut in employer and employee insurance contributions in the private sector in 2021 A year-long suspension of the solidarity levy for private sector employees, self-employed individuals and farmers The introduction of an over-depreciation measure for 3 years (2021-2023) at 200 % for digital and green fixed capital investments A disapplication of unified property tax for 28 small Greek islands in 2021 <p>Employment subsidies</p> <ul style="list-style-type: none"> A subsidy program for 100,000 new jobs (government to pay insurance contributions of both employer and employee for new roles) Grants of €200 for businesses which hire a long-term unemployed person 	<ul style="list-style-type: none"> Various 	<p>From September 2020</p>
Reduced VAT on transport, some entertainment and travel (six-month extension)		
<ul style="list-style-type: none"> Note: <ul style="list-style-type: none"> This document only summarizes key measures implemented to benefit businesses operating in Greece The measures described above were in place as of 01 September 2020. Updates and additional government measures are expected 		